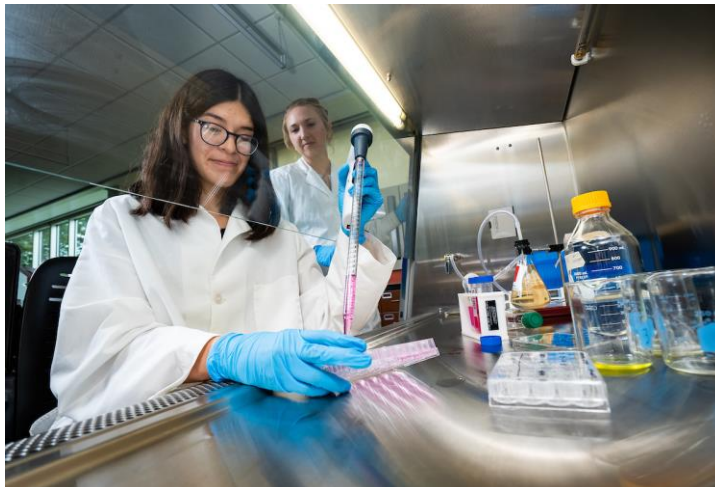


# AQUINAS COLLEGE

Investor Presentation Dated January 29, 2025

Investor Presentation



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## Notice to the Recipient / Disclaimer

The purpose of this electronic Investor Presentation (“Presentation”) is to provide investors and others with information about the offering of the Michigan Finance Authority Limited Obligation Higher Education Facilities Revenue and Refunding Revenue Bonds Series 2021 (Aquinas College Project) (the “Bonds”); however, this Presentation is not part of the “preliminary official statement” or the “final official statement” as those terms are defined in Securities and Exchange Commission Rule 15c2-12. This Presentation is qualified in all respects by references to either the December 2024 financial reporting dated December 30, 2024 or the Official Statement (the “Official Statement”) dated June 23, 2021, relating to the Bonds and potential investors should rely only on those sources, and not this Presentation, in making an investment decision. The information in this Presentation represents a summary of certain information in, has been sourced from, and is available in, the December 2024 financial reporting or the Official Statement. To the extent there are conflicts between statements made in the December 2024 financial reporting or in the Official Statement and this Presentation, the information contained in the December 2024 financial reporting or in the Official Statement should be relied upon in making an investment decision.

The materials and statements contained in this Presentation do not constitute an offer to sell or a solicitation of any offer to buy any securities of the Michigan Finance Authority (the “Issuer”) to any person in any jurisdiction, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

If you have been invited to view this Presentation, you should already have been provided with a copy of the December 2024 financial reporting and the Official Statement. Investors should read the entire December 2024 financial reporting documents and the Official Statement carefully before making an investment decision. Any investment decisions regarding the Bonds should only be made after careful review of the complete December 2024 financial reporting and the Official Statement.

An investment in the Bonds involves certain investment risks. The business of Aquinas College (the “College”) is subject to a number of risks and uncertainties, certain of which are beyond its control. Such risks may cause actual operating results or financial performance to be materially different from expectations, which could affect payments to be made with respect to the Bonds. See “BONDHOLDERS’ RISKS” in the Official Statement.

This Presentation may contain statements that, to the extent they are not recitations of historical fact, may constitute “forward-looking statements.” In this respect, the words “estimate,” “project,” “anticipate,” “expect,” “intend,” “believe” and similar expressions are intended to identify forward-looking statements. Any such statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the revenues and obligations of the College include, among others, changes in economic conditions, limited resources of the College and various other events, conditions and circumstances, many of which are beyond the control of the College. Such forward-looking statements speak only as of the date of the Official Statement. The Issuer disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Presentation to reflect any changes in the College’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.



# Aquinas College: Management & Governance

## College Administration

- Alicia Córdoba, *President*
- Terry Keller, *Provost and Vice President for Academic Affairs*
- Tim Stafford, *Vice President for Finance*
- Scott Travis, *Vice President for Institutional Advancement*
- Brian Matzke, *Vice President for Enrollment Management*
- Alicia Lloyd, *Associate Vice President for Student Affairs*
- Bob Wisler, *Chief Information Officer*



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# Aquinas College: Management & Governance

## Administration and Governance - Updates

- Dr. Terry Keller began his service as Provost and Vice President for Academic Affairs on July 1, 2024. Dr. Keller brings a wealth of experience from Lourdes University where he served in multiple roles including Provost and Interim President.
- Scott Travis serves as Vice President for Institutional Advancement. Upon his appointment in May of 2024, he has built a strong philanthropy team which includes major giving, alumni relations, annual funding and sponsorships.
- The College's Board of Trustees is composed of 13 members including retired and active community professionals and leaders from the financial, legal and non-profit sectors. Two members of the Board are Dominican Sisters. While the Sisters have reserved powers reflecting their integral connection with the College, they also respect the nearly 50-year history of entrusting leadership of the College to a committed Board of Trustees.

# Aquinas Quick Facts

Founded in 1886 by the Dominican Sisters Grand Rapids.

- Only Roman Catholic college in the western half of Michigan
- Serving approx. 1,200 students in current academic year, inclusive of nursing and graduate programs
- Collaborative Nursing program with University of Detroit Mercy
- Growing Programs: Business, Sports Management, Exercise Science, Education, Pre-Health Sciences, Accelerated Graduate Education, Graduate Clinical Mental Health Counseling
- Silver-level ranking as a Veteran-Friendly school by the Michigan Veterans Affairs Agency
- 100% of graduates are employed or attend graduate school within six months of graduation
- Ranked in the National Liberal Arts College list and on the list of Top Performers on Social Mobility in U.S. News and World Report 2025 Best Colleges



# Statement of Financial Position

	2022	2023	2024
<b>Assets</b>			
Cash	\$ 5,270,110	\$ 2,894,773	\$ 2,594,295
Investments	43,050,238	45,830,752	47,174,465
Pledges receivable, net	1,549,353	1,269,151	1,011,106
Other receivables	1,287,679	1,699,873	1,254,397
Other assets	11,027,295	10,836,598	11,446,317
Land, buildings and equipment, net	68,412,471	65,544,260	62,958,426
Total assets	<u>\$ 130,597,146</u>	<u>\$ 128,075,407</u>	<u>\$ 126,439,006</u>
<b>Liabilities</b>			
Bonds payable, net	\$ 28,498,562	\$ 28,427,789	\$ 28,357,016
Lines of credit and term notes	5,394,614	9,169,614	8,119,614
Capitalized lease obligations	400,268	356,782	639,199
Deferred revenue	223,840	204,915	148,877
Payables and accrued liabilities	2,811,104	2,174,271	2,171,988
Accrued post retirement benefits	419,362	381,613	269,978
Other liabilities	425,055	329,854	334,097
Total liabilities	<u>38,172,805</u>	<u>41,044,838</u>	<u>40,040,769</u>
Net assets without donor restrictions	39,664,548	30,938,596	29,280,853
Net assets with donor restrictions	52,759,793	56,091,973	57,117,384
Total net assets	<u>92,424,341</u>	<u>87,030,569</u>	<u>86,398,237</u>
Total liabilities and net assets	<u>\$ 130,597,146</u>	<u>\$ 128,075,407</u>	<u>\$ 126,439,006</u>

- Cash for 2024 includes \$2.5 million of bond reserve funds
- Investments increased 3% net of distributions
- Land, buildings and equipment declined mostly due to depreciation
- Lines of credit and term notes decreased due to payments of \$650,000 on a term notes and \$400,000 less borrowed in the line of credit.
- Term note balances totaled about \$4 million. Line of credit balance was \$4.1 million.

# Endowment

Endowment is managed by external managers.

- Endowment spending rate is based on the 12-quarter rolling average as of December 31 prior to the fiscal year
- Standard spending is 5%
- FY 2022 spending rate 6%
- FY 2023 spending rate 5%
- FY 2024 spending rate about 12%
- FY 2025 anticipate the spend rate to be 8.5%

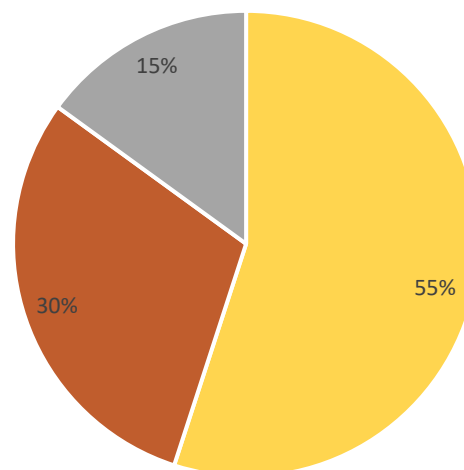
## Endowment with Donor Restrictions

FY 2022 \$ 41,318,389

FY 2023 \$ 43,962,214

FY 2024 \$ 46,683,981

Endowment Allocation Policy



- Equities (Large Cap, Small Cap, Value, Growth, Intl)
- Income (ST, LT, Fixed, Variable, Inflation adjusted)
- Alternatives (Natural Resources, Commodities, Real Estate, Hedge Funds, Managed Futures)



# Statement of Financial Position

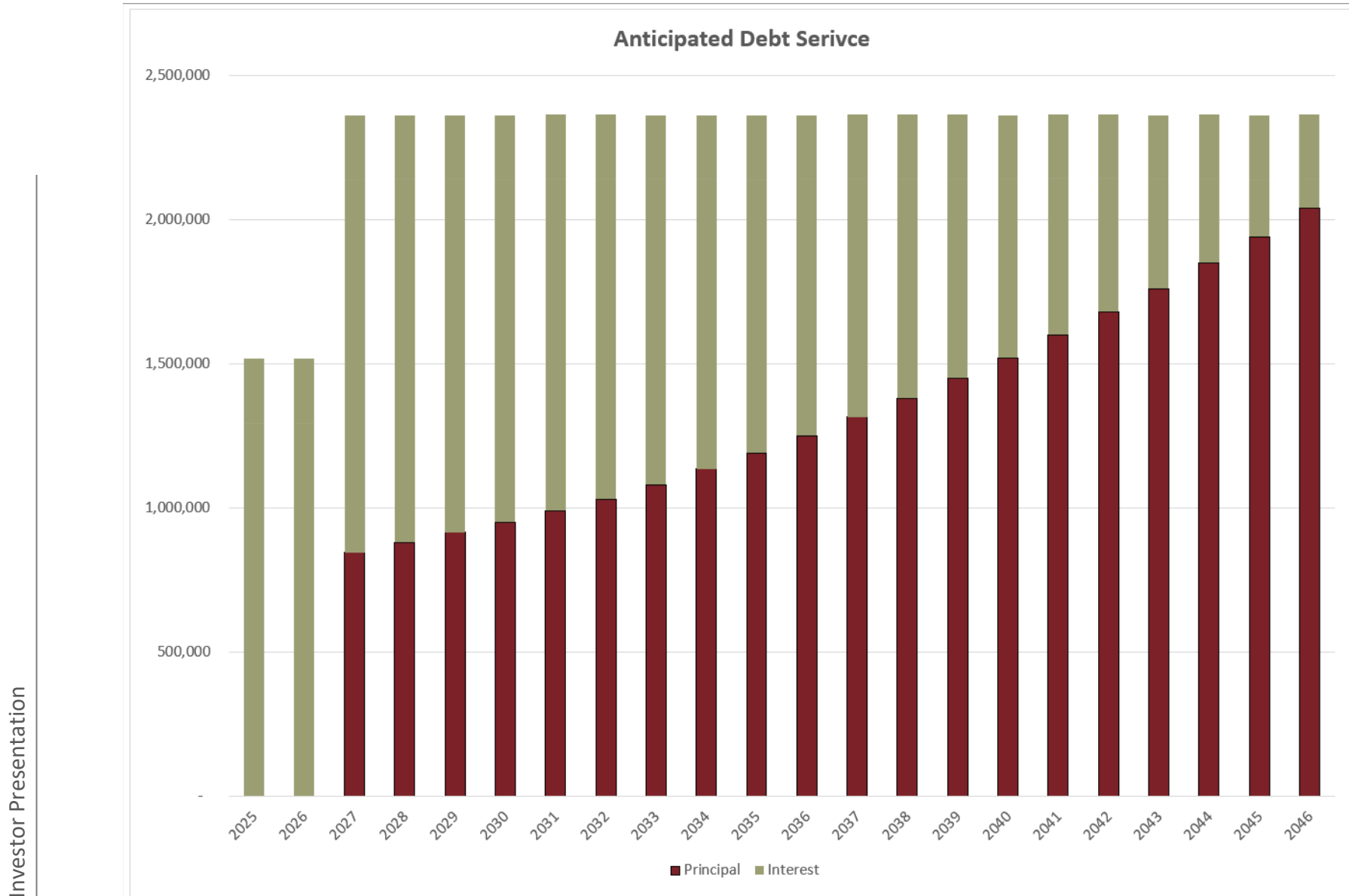
Year ended June 30, 2024

- Term note 1
  - Renewed January 2024
  - Expires January 2026
  - Balance as of June 30, 2024 \$3,619,613
  - No payments YTD
- Term note 2
  - Original amount \$2,000,000 issued in October 2019
  - Balance as of June 30, 2024 \$400,000
  - Paid off December 31, 2024
- Line of credit limit: \$5,000,000
  - Renewed January 2024
  - Expires January 2026
  - Balance as of June 30, 2024 \$4,100,000





# Estimated Debt Service Obligations



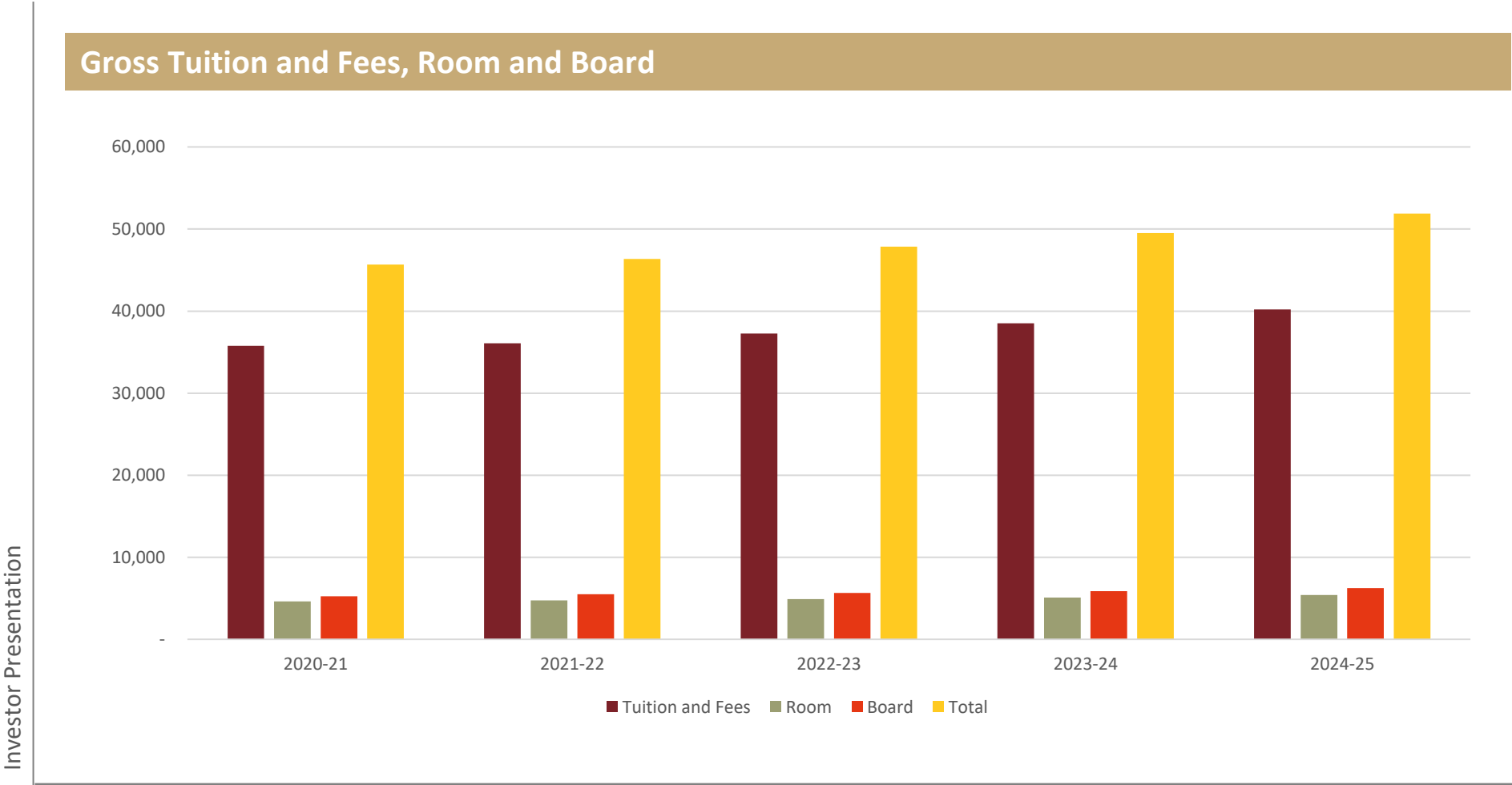
# Statement of Activities

	2022	2023	2024
Operating Revenues			
Tuition and fees, net	\$ 16,717,853	\$ 15,885,275	\$ 15,451,450
Gifts and grants	10,674,238	3,837,238	4,044,225
Investment return, net	(5,359,330)	4,216,335	5,735,050
Auxiliary activities	5,633,238	6,530,818	7,120,480
Other income	(495,178)	1,942,693	2,400,099
Total Revenues	27,170,821	32,412,359	34,751,304
Operating Expenses	38,514,715	37,806,131	35,383,636
Change in Net Assets	\$ (11,343,894)	\$ (5,393,772)	\$ (632,332)

- Tuition and fees declined mostly due to an increase in scholarships.
- Gifts and grants increased due to increased contributions
- Auxiliary activities increased due to more student living on campus.
- Other income increased mostly due to the increase in value of split-interest agreements.
- Expenses were reduced mostly in salaries and benefits

# Cost of Attendance

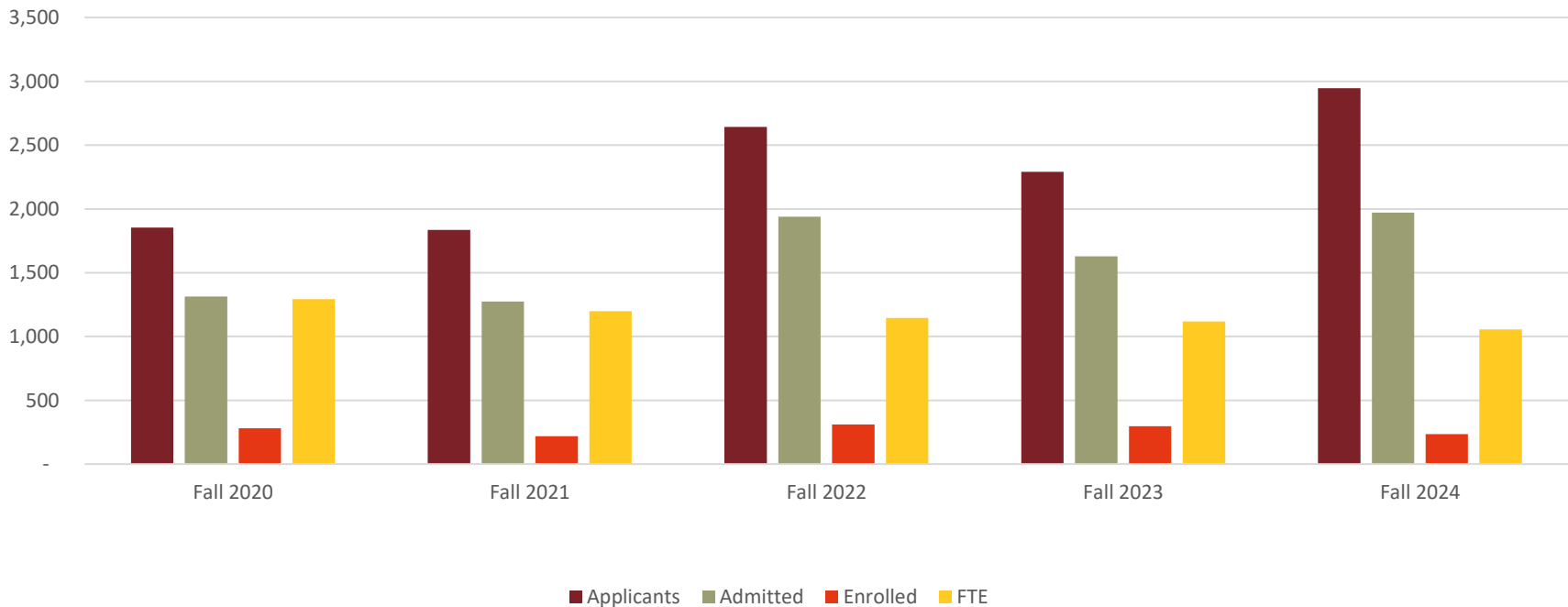
- The College establishes tuition, fees, room and meal plans at a price which is competitive with institutions with which the College competes for students.
- Fall 2024 undergraduate tuition, fees, room and meal plans are set at \$51,898 for traditional students with standard accommodations.



# Fall Undergraduate Demand and Enrollment Trends

- Applications for the Fall of 2024 were the highest in the last four years.
- Uncertainty around the FASFA resulted in fewer first year students for the Fall of 2024.
- Fulltime equivalent for Fall of 2024 declined by 62 students from the Fall of 2023 due mostly to fewer first year students.

Demand and Enrollment Statistics



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## Strategies and Initiatives

### Fiscal year 2025 and beyond-Enrollment

- Engaged a consultant to review and make recommendations regarding recruitment and financial aid awarding specifically for traditional undergraduate students
- Established Strategic Enrollment Management Taskforce
- Enhanced recruiting staff-increased compensation and established formal career track to assist with staff retention
- Established specific outreach goals for each admission counselor
- Implemented new phone system to track and monitor communications
- Simplified the enrollment process by eliminating essay requirements on the application
- Reduced minimum GPA from 2.5 to 2.0
- Revised financial aid packages that meets students' financial needs and incentivizes living on campus
- Earlier financial aid awards
- Telemarketing calls

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# Strategies and Initiatives

## Fiscal year 2025 and beyond-Enrollment

- Traditional First year Students Fall 2025:
  - Applications – Up 382 over last year
  - Acceptances – Up 436 over last year
  - Deposits are 63 an increase of 32 over last year
  - 89% folder completion rate
  - 444 visits compared to 377 last year
  - 760 or about 32% of applicants have submitted a FAFSA



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## Strategies and Initiatives

### Fiscal year 2025 and beyond

- Fundraising
  - Mostly new team with 4 new hires since September
  - December 2024 was the best in 3 years
  - Secured \$2.25 million in new commitments this fiscal year
  - 57% toward our annual fund goal
  - Working with top donors
- Academics
  - Block scheduling
  - Course offering efficiency
  - Partnerships and new programs
- Expense control
- Facilities

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## Conclusion



# Thank You